

**GREATER LOCKPORT  
DEVELOPMENT CORPORATION**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

GREATER LOCKPORT DEVELOPMENT CORPORATION

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December 31, 2024

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**INDEPENDENT AUDITORS' REPORT**

The Board of Directors  
Greater Lockport Development Corporation

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the consolidated balance sheets of Greater Lockport Development Corporation (the Corporation) as of December 31, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as of December 31, 2024 and 2023, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for one year after the date that the financial statements are issued.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2025 on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.



Lyndon & McCormick, LLP

June 14, 2025

GREATER LOCKPORT DEVELOPMENT CORPORATION

**Consolidated Balance Sheets**

December 31,	2024	2023
<b>Assets</b>		
Cash	\$ 1,511,083	\$ 1,590,160
Grants, interest, and other receivables	191,626	145,849
Prepaid expenses and other	55,603	63,863
Property, net (Note 2)	4,459,926	4,670,118
	<u>\$ 6,218,238</u>	<u>\$ 6,469,990</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 29,430	\$ 250,979
Refundable advances	10,667	6,158
Due to City of Lockport (Note 4)	75,000	75,000
Security deposits	67,162	71,728
Long-term debt (Note 5)	2,683,381	2,860,212
	<u>2,865,640</u>	<u>3,264,077</u>
<b>Net assets:</b>		
With donor restrictions	146,782	256,783
Without donor restrictions	3,205,816	2,949,130
	<u>3,352,598</u>	<u>3,205,913</u>
	<u>\$ 6,218,238</u>	<u>\$ 6,469,990</u>

See accompanying notes.

GREATER LOCKPORT DEVELOPMENT CORPORATION

**Consolidated Statements of Activities**

For the years ended December 31,	2024	2023
<b>Changes in net assets without donor restrictions:</b>		
Revenues and support:		
Lease and occupancy income	\$ 1,066,024	\$ 1,098,747
Contributions and grants	107,814	253,958
Other income and fees	64,228	369,652
Net assets released from restrictions	908,695	1,723,912
Total revenues and support	<u>2,146,761</u>	<u>3,446,269</u>
Expenses:		
Program:		
Economic development and revitalization	659,444	2,242,766
Lease operations	984,368	1,076,204
General and administrative	246,263	282,671
Total expenses	<u>1,890,075</u>	<u>3,601,641</u>
Change in net assets without donor restrictions	<u>256,686</u>	<u>(155,372)</u>
<b>Changes in net assets with donor restrictions:</b>		
Contributions	798,694	1,668,037
Net assets released from restrictions	(908,695)	(1,723,912)
Change in net assets with donor restrictions	<u>(110,001)</u>	<u>(55,875)</u>
<b>Change in net assets</b>	<b>146,685</b>	<b>(211,247)</b>
Net assets - beginning	<u>3,205,913</u>	<u>3,417,160</u>
<b>Net assets - ending</b>	<b>\$ 3,352,598</b>	<b>\$ 3,205,913</b>

See accompanying notes.

GREATER LOCKPORT DEVELOPMENT CORPORATION

**Consolidated Statement of Functional Expenses**

For the year ended December 31, 2024

	Program		General and Administrative	Total
	Economic Development and Revitalization	Lease Operations		
Employee wages and benefits	\$ 113,004	\$ 183,669	\$ 5,948	\$ 302,621
Grants	413,981	-	-	413,981
Property management	1,439	147,930	48,644	198,013
Repairs and maintenance	11,530	66,145	-	77,675
Property taxes	-	74,037	-	74,037
Insurance	-	57,823	5,382	63,205
Commissions	-	-	37,556	37,556
Professional fees	26,990	-	109,513	136,503
Marketing and advertising	-	-	12,599	12,599
Events	5,575	-	-	5,575
Interest	4	100,803	142	100,949
Depreciation	79,383	333,264	-	412,647
Other expenses	7,538	20,697	26,479	54,714
	<b>\$ 659,444</b>	<b>\$ 984,368</b>	<b>\$ 246,263</b>	<b>\$ 1,890,075</b>

See accompanying notes.

GREATER LOCKPORT DEVELOPMENT CORPORATION

**Consolidated Statement of Functional Expenses**

For the year ended December 31, 2023

	Program		General and Administrative	Total
	Economic Development and Revitalization	Lease Operations		
Employee wages and benefits	\$ 122,837	\$ 152,000	\$ 6,160	\$ 280,997
Grants	2,018,319	-	-	2,018,319
Property management	1,380	153,227	46,616	201,223
Repairs and maintenance	22,130	136,981	-	159,111
Property taxes	-	79,417	-	79,417
Insurance	-	48,288	5,515	53,803
Commissions	-	-	99,452	99,452
Professional fees	3,550	-	91,161	94,711
Marketing and advertising	-	-	16,606	16,606
Events	4,902	-	-	4,902
Interest	-	106,771	82	106,853
Depreciation	65,460	399,520	-	464,980
Other expenses	4,188	-	17,079	21,267
	<u>\$ 2,242,766</u>	<u>\$ 1,076,204</u>	<u>\$ 282,671</u>	<u>\$ 3,601,641</u>

See accompanying notes.



GREATER LOCKPORT DEVELOPMENT CORPORATION

**Consolidated Statements of Cash Flows**

For the years ended December 31,	2024	2023
<b>Operating activities:</b>		
Change in net assets	\$ 146,685	\$ (211,247)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	412,647	464,980
Gain on sale of property	-	(297,508)
Changes in other assets and liabilities:		
Grants, interest, and other receivables	(45,777)	(102,851)
Prepaid expenses and other	8,260	(15,394)
Accounts payable and accrued expenses	(221,549)	163,674
Refundable advances	4,509	(89,328)
Due to City of Lockport	-	75,000
Security deposits	(4,566)	1,539
<b>Net operating activities</b>	<b>300,209</b>	<b>(11,135)</b>
<b>Investing activities:</b>		
Property expenditures	(202,455)	(677,375)
Proceeds from sale of property	-	1,050,000
<b>Net investing activities</b>	<b>(202,455)</b>	<b>372,625</b>
<b>Financing activities:</b>		
Payments on long-term debt	(176,831)	(170,863)
<b>Net change in cash</b>	<b>(79,077)</b>	<b>190,627</b>
Cash - beginning	1,590,160	1,399,533
<b>Cash - ending</b>	<b>\$ 1,511,083</b>	<b>\$ 1,590,160</b>

See accompanying notes.

**Notes to Consolidated Financial Statements**

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**1. Summary of Significant Accounting Policies:**

**Organization**

Greater Lockport Development Corporation (GLDC) is a nonprofit organization and the financial statements include its related but separate entities, 210 Walnut Street, LLC (210 Walnut) and Lockport Locks Heritage District Corporation (Lockport Locks) (collectively, the Corporation). GLDC is the sole member of 210 Walnut, which was formed to own and manage industrial rental property acquired by GLDC through foreclosure proceedings. In 2014, GLDC created Lockport Locks as a nonprofit entity established to attract investment and stimulate the economic revitalization of Lockport's Erie Canal Corridor. All significant inter-entity accounts and transactions have been eliminated.

The principal purpose of the Corporation is to aid the efforts of the Economic Development Program of the City of Lockport, New York (the City). The Corporation administers loan programs to create favorable conditions for City enterprises to expand or locate businesses engaged in the manufacturing, assembling, wholesaling, or retailing of goods or services. Further, it provides financing for capital improvements, equipment, or working capital, where such financing will assist in creating employment opportunities for persons of low and moderate income or assist in the elimination of slums and/or blight in the City.

The Corporation's funding was established through grants awarded by the United States Department of Housing and Urban Development (HUD) through the Urban Development Action Grant (UDAG) and Community Development Block Grant for Small Cities (CDBG) programs. The Corporation has the right to re-use principal repayments and interest income for the furtherance of its mission.

**Net Assets**

The Corporation's financial position and activities are reported according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. Net assets with donor restrictions are those whose use has been limited by donors to a specific time, period, or purpose, or to be maintained by the Corporation in perpetuity. At December 31, 2024 and 2023, certain contributions are restricted for investments in property, improvements, and equipment.

**Cash**

Cash in financial institutions may exceed insured limits at various times during the year and subject the Corporation to concentrations of credit risk.

**Receivables**

Receivables are stated at the principal amount outstanding, net of an allowance for estimated credit losses. The allowance method is used to compute the provision for uncollectible amounts.

Determination of the balance of the allowance for estimated credit losses is based on an analysis of outstanding receivables and reflects an amount that, in management's judgment, is adequate to provide for potential losses. Amounts are written off when, in management's judgment, no legal recourse is available to collect the amount owed.

**Contributions**

Contributions, including government grants, are reported at fair value at the date the contribution or pledge is made. Contributions are recorded as restricted support if they are received with donor stipulations that limit their use. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions whose stipulated purpose restriction is accomplished in the same reporting period as received are reported as increases in net assets without donor restrictions.

The entities periodically receive contributions in the form of grants from State and local governments which contain various conditions. To the extent expenditures have been incurred and the conditions are met, government grant revenue is recognized. Any funding received before required conditions are met is reported as a refundable advance on the accompanying consolidated balance sheets.

**Leases**

The Corporation recognizes leases and occupancy income over the monthly rental periods. All leases between the Corporation and its tenants are operating leases.

## Functional Expenses

The Corporation's costs of providing its services have been summarized on a functional basis in the accompanying consolidated statements of functional expenses. Accordingly, a majority of costs are specifically identified and charged to the functions they benefit with the remaining costs allocated based on employee time and effort.

## Property

Property is stated at cost or fair value at date of donation, net of accumulated depreciation. Depreciation is computed by the straight-line method over estimated service lives. Maintenance and repairs are charged to operations as incurred; significant improvements are capitalized.

Certain property is known to contain asbestos. The Corporation is obligated to remediate the asbestos upon the related assets' retirement, disposal, or sale. The fair value of the liability cannot currently be estimated with reasonable certainty. Additionally, the property is expected to be maintained through repair and maintenance activities that would not involve the removal of the asbestos. The need for major renovations caused by technology changes, operational changes, or other factors has not been identified.

## Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

## Income Taxes

GLDC and Lockport Locks are 501(c)(3) organizations exempt from Federal income taxes under §501(a) of the Internal Revenue Code. 210 Walnut is considered a disregarded entity for tax purposes.

## Subsequent Events

Management has evaluated events and transactions for potential recognition or disclosure in the financial statements through June 14, 2025, the date the financial statements were available to be issued.

## 2. Property:

	2024	2023
Buildings and improvements	\$ 8,444,254	\$ 8,241,799
Accumulated depreciation	(3,984,328)	(3,571,681)
	<u>\$ 4,459,926</u>	<u>\$ 4,670,118</u>

## 3. Short-Term Borrowings:

GLDC has available a \$25,000 bank demand line of credit with interest payable at prime plus 2.25% and has available a \$175,000 working capital loan, with interest only payments for up to 12 months at prime plus 1.75%. The borrowings are secured by all assets of the Corporation. No amounts were outstanding at December 31, 2024 and 2023.

## 4. Due to City of Lockport:

In 2023, GLDC borrowed \$75,000, non-interest bearing, from the City of Lockport for cash flow purposes which will be repaid when grant reimbursement is received.

## 5. Long-Term Debt:

	2024	2023
210 Walnut bank term loan with monthly payments of \$20,882 including interest at 3.7%, balloon payment of \$2,114,488 due November 2026, guaranteed by assets of the Corporation.	\$ 2,391,641	\$ 2,548,984
210 Walnut term loan through Niagara Economic Development Fund with monthly payments of \$2,254 including interest at 2.5% through October 2026 with final balloon payment of \$256,977 due November 2026, secured by a second security interest in 210 Walnut's assets.	291,740	311,228
	<u>\$ 2,683,381</u>	<u>\$ 2,860,212</u>

The bank loan agreement requires compliance with certain covenants.

Aggregate maturities on long-term debt subsequent to December 31, 2024 are:

2025	\$ 168,243
2026	2,515,138
	<u>\$ 2,683,381</u>

#### 6. Lease Income:

210 Walnut leases space, with a carrying value of \$3,268,000, to various companies under the terms of non-cancellable operating leases. Lease and occupancy income for 2024 and 2023, including month-to-month leases, was \$1,066,024 and \$1,098,747. Future minimum payments to be received subsequent to December 31, 2024 are:

2025	\$ 763,184
2026	314,631
2027	117,400
2028	73,088
2029	21,400
	<u>\$ 1,289,703</u>

#### 7. Cash Flows Information:

Cash flows from operating activities reflect cash payments for interest of \$100,949 in 2024 and \$106,853 in 2023.

#### 8. Financial Resources Available for Operations:

The Corporation obtains financial assets generally through government grants and rental income. The financial assets are acquired throughout the year to meet the Corporation's cash needs for general expenditures. If necessary, the Corporation also has access to \$200,000 of bank financing (Note 3).

The Corporation's unrestricted financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consist of the following at December 31:

	2024	2023
Cash	\$ 1,297,139	\$ 1,261,649
Grants, interest, and other receivables	32,044	69,718
	<u>\$ 1,329,183</u>	<u>\$ 1,331,367</u>

GREATER LOCKPORT DEVELOPMENT CORPORATION

**Supplementary Information**  
**Consolidating Balance Sheet**

December 31, 2024

	GLDC	210 Walnut	Lockport Locks	Eliminations	Consolidated
<b>Assets</b>					
Cash	\$ 212,685	\$ 988,778	\$ 309,620	\$ -	\$ 1,511,083
Grants, interest, and other receivables	179,640	31,991	5,055	(25,060)	191,626
Prepaid expenses and other	2,249	50,047	3,307	-	55,603
Loan receivable	626,502	-	-	(626,502)	-
Property, net	-	3,173,708	1,286,218	-	4,459,926
	<u>\$ 1,021,076</u>	<u>\$ 4,244,524</u>	<u>\$ 1,604,200</u>	<u>\$ (651,562)</u>	<u>\$ 6,218,238</u>
<b>Liabilities and Net Assets</b>					
<b>Liabilities:</b>					
Accounts payable and accrued expenses	\$ 37,171	\$ 12,268	\$ 5,051	\$ (25,060)	\$ 29,430
Refundable advances	-	8,667	2,000	-	10,667
Due to City of Lockport	75,000	-	-	-	75,000
Security deposits	-	67,162	-	-	67,162
Long-term debt	-	3,301,729	8,154	(626,502)	2,683,381
	<u>112,171</u>	<u>3,389,826</u>	<u>15,205</u>	<u>(651,562)</u>	<u>2,865,640</u>
<b>Net assets:</b>					
With donor restrictions	-	-	146,782	-	146,782
Without donor restrictions	908,905	854,698	1,442,213	-	3,205,816
	<u>908,905</u>	<u>854,698</u>	<u>1,588,995</u>	<u>-</u>	<u>3,352,598</u>
	<u>\$ 1,021,076</u>	<u>\$ 4,244,524</u>	<u>\$ 1,604,200</u>	<u>\$ (651,562)</u>	<u>\$ 6,218,238</u>

GREATER LOCKPORT DEVELOPMENT CORPORATION

**Supplementary Information**  
**Consolidating Statement of Activities**

For the year ended December 31, 2024

	GLDC	210 Walnut	Lockport Locks	Eliminations	Consolidated
<b>Changes in net assets without donor restrictions:</b>					
Revenues and support:					
Lease and occupancy income	\$ -	\$ 1,066,024	\$ -	\$ -	\$ 1,066,024
Contributions and grants	50,000	-	57,814	-	107,814
Interest from loans	25,060	-	-	(25,060)	-
Other income and fees	35,222	35,086	15,920	(22,000)	64,228
Net assets released from restrictions	635,805	137,500	272,890	(137,500)	908,695
Total revenues and support	746,087	1,238,610	346,624	(184,560)	2,146,761
Expenses:					
Program:					
Economic development and revitalization	681,033	-	126,237	(147,826)	659,444
Lease operations	-	984,368	-	-	984,368
General and administrative	122,023	114,282	46,692	(36,734)	246,263
Total expenses	803,056	1,098,650	172,929	(184,560)	1,890,075
Change in net assets without donor restrictions	(56,969)	139,960	173,695	-	256,686
<b>Change in net assets with donor restrictions:</b>					
Contributions	631,901	137,500	166,793	(137,500)	798,694
Net assets released from restrictions	(635,805)	(137,500)	(272,890)	137,500	(908,695)
Change in net assets with donor restrictions	(3,904)	-	(106,097)	-	(110,001)
<b>Change in net assets</b>	(60,873)	139,960	67,598	-	146,685
Net assets - beginning	969,778	714,738	1,521,397	-	3,205,913
<b>Net assets - ending</b>	\$ 908,905	\$ 854,698	\$ 1,588,995	\$ -	\$ 3,352,598

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Board of Directors  
Greater Lockport Development Corporation

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated balance sheet of Greater Lockport Development Corporation (the Corporation), a nonprofit organization, as of December 31, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 14, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Corporation's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Lumsden & McCormick, LLP". The signature is written in a cursive, flowing style.

June 14, 2025



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SECTION 2925(3)(f) OF THE NEW YORK STATE PUBLIC AUTHORITIES LAW**

The Board of Directors  
Greater Lockport Development Corporation

We have audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet of Greater Lockport Development Corporation (the Corporation), a nonprofit organization, as of December 31, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and we have issued our report thereon dated June 14, 2025.

In connection with our audit, nothing came to our attention that caused us to believe that the Corporation failed to comply with §2925(3)(f) of the New York State Public Authorities Law regarding investment guidelines during the year ended December 31, 2024. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Corporation's noncompliance with the above rules and regulations.

The purpose of this report is solely to describe the scope and results of our testing. This communication is not suitable for any other purpose.



June 14, 2025

## **COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE**

June 14, 2025

Members of the Audit Committee  
and Board of Directors  
Greater Lockport Development Corporation

We have audited the consolidated financial statements of Greater Lockport Development Corporation (the Corporation), a nonprofit organization, and its related entities, 210 Walnut Street, LLC (210 Walnut Street) and Lockport Locks Heritage District Corporation (Lockport Locks) (the entities) for the year ended December 31, 2024, and have issued our report thereon dated June 14, 2025. Professional standards also require we communicate to you the following information related to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated January 15, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (GAAP). Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, as part of our audits, we considered the internal control of the Corporation solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding control deficiencies over financial reporting, if any, and other matters noted during our audit in a separate letter to you.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you in the engagement letter.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

## **Significant Risks Identified**

Our audit planning and risk assessment identified management override of controls and improper revenue recognition as significant audit risks, both of which are presumptive risks in all financial statement audits. We also identified the lack of segregation of duties as a significant risk as a result of the Corporation's small staff size.

## **Qualitative Aspects of the Corporation's Significant Accounting Practices**

### *Significant Accounting Practices*

Management has the responsibility to select and use the appropriate accounting policies. A summary of the significant accounting policies adopted by the Corporation is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the consolidated financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly important because of their significance to the consolidated financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. The most sensitive estimates affecting the financial statements are:

- Capitalization of fixed assets at historical or estimated historical cost
- Depreciable lives and methods

Management's estimates of the above are based on management's knowledge and experience about past and current events and assumptions about future events. We evaluated the key factors and assumptions used to develop these estimates above and determined they are reasonable in relation to the consolidated financial statements taken as a whole.

### *Financial Statement Disclosures*

Certain financial statement disclosures are particularly important because of their significance to financial statement users. We evaluated all disclosures in relation to the financial statements as a whole and determined they are reasonable.

## **Significant Difficulties Encountered During the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of our audit.

## **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The adjustments made during the course of our audits are attached.

#### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, that could be significant to the Corporation's financial statements or the auditors' reports. No such disagreements arose during the course of the audit.

#### **Circumstances that Affect the Form and Content of the Auditors' Report**

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditors' report. There were no modifications to the audit opinion.

#### **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated consistent with the financial statement audit report date.

#### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Corporation's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the Corporation, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, business conditions affecting the Corporation, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Corporation's auditors.

With respect to the additional information accompanying the consolidated financial statements, including the schedule of expenditures of federal awards, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the consolidated financial statements. We compared and reconciled the additional information to the underlying accounting records used to prepare the consolidated financial statements or to the consolidated financial statements themselves.

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This information is intended solely for the use of the Audit Committee, Board of Directors, and management of the Corporation. It is not intended to be and should not be used by anyone other than these specified parties.

*Lundon & McCormick, LLP*

## MANAGEMENT LETTER

June 14, 2025

The Audit Committee, Board of Directors, and Management  
Greater Lockport Development Corporation

In planning and performing our audit of the consolidated financial statements of Greater Lockport Development Corporation (the Corporation) and its related entities 210 Walnut Street, LLC (210 Walnut Street) and Lockport Locks Heritage District Corporation (Lockport Locks) (the entities) as of and for the year ended December 31, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the entities' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entities' internal control. Accordingly, we do not express an opinion on the effectiveness of the entities' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### Oversight of Financial Operations

Because of the small number of staff and turnover of staff at the Corporation, it is difficult to achieve adequate segregation of duties. The risk that material errors, whether intentional or unintentional, may occur and go undetected is increased given the small staff size.

We continue to encourage the Board to remain committed to its involvement in the financial operations of the Corporation by thoroughly reviewing monthly financial data, requesting support for all payments when checks are signed, asking questions about unusual transactions, reviewing monthly reconciliations for all major balance sheet accounts, tracking of grants, and routing the monthly statements for all bank accounts to the Board Treasurer for review before giving them to the person responsible for the reconciliation process.

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We have discussed these comments with the Corporation's personnel and would be pleased to discuss them in further detail, perform any additional studies, or assist you in implementing the recommendations.

This communication is intended solely for the information and use of the Corporation's management, Board of Directors, and others within the Corporation. It is not intended to be and should not be used by anyone other than these specified parties.

*Lunden & McCormick, LLP*